

Bone Therapeutics to broaden and derisk therapeutic portfolio by acquiring majority participation in Medsenic

The acquisition will result in the business combination of Bone Therapeutics and Medsenic to create BioSenic, a speciality biopharma company

51% of Medsenic shares (valued at ca EUR 40 million) to be contributed
at a subscription price per share of EUR 0.45

Each existing share to be entitled to subscribe to one additional share at EUR 0.45 in case of successful ALLOB interim results Bone Therapeutics to acquire the remaining outstanding capital of Medsenic within 36 months

Mont-Saint-Guibert, Belgium, August 10, 2022, 12:00 AM CEST – BONE THERAPEUTICS (Euronext Brussels and Paris: BOTHE), the cell therapy company addressing unmet medical needs in orthopedics and [Medsenic](#), a privately held, clinical stage biopharmaceutical company incorporated in France and specialized in the development of optimized formulations of arsenic salts and their application in inflammatory conditions and other potential new indications, today announces the signature of a binding contribution agreement to combine the operations of both companies by means of a share for share exchange, subject to the approval of the shareholders' meeting.

Background to Medsenic and rationale of the combination

Integrating both biopharmaceutical companies would significantly derisk and broaden Bone Therapeutic's therapeutic portfolio, targeting a broad array of inflammatory and orthopedic indications. Both companies currently are running several mid to advanced stage clinical trials ongoing in lupus, chronic graft-versus-host disease, tibial fractures and other indications. As a result, there would be a number of economic, financial and operational benefits and synergies in combining the clinical development programs within one organization.

The existing pipeline from both organizations would continue as planned. The Phase IIb trial of Bone Therapeutics' ALLOB, a randomized, double-blind, placebo-controlled study in patients with high-risk tibial fractures, is still ongoing and set to report interim results in the first half of 2023. The Medsenic Phase II clinical study with arsenic trioxide in the first-line treatment of cGvHD (chronic GvH) is still ongoing, and a phase IIa clinical trial for Lupus has established proof of concept of safety for the patient and efficacy on the course of the autoimmune disease. A Phase 2b clinical trial for severe Lupus is in the planning stage. A Phase III study of cGvHD is also currently anticipated to start in the first half of 2023. The new laboratory facilities in Mont-Saint-Guibert, will become the scientific centre of the combined entity.

"The addition of Medsenic, particularly with its dedicated best-in-class autoimmune disease platform, allows the respective teams of both companies to develop an expanded product portfolio across multiple therapeutic indications and thus limit shareholder risk, offer multiple treatments to patients, and increase the potential for growth and value creation for all shareholders," said Jean Stéphane, President of Bone Therapeutics. "The acquisition of Medsenic fits well with our strategic priorities and offers substantial financial growth potential and therapeutic solutions to significantly improve patient experiences and outcomes for emerging and established therapies. Bone Therapeutics is well positioned to leverage Medsenic's value proposition with a strong technology portfolio and business development experience. It is an honor and I am delighted to welcome Francois Rieger, a renowned scientist and investor, as the future President and CEO of the newly created company as a result of the acquisition, BioSenic. His experience and talent will undoubtedly enable BioSenic and our talented teams to embark on our next chapter of accelerating financial growth, maximizing patient benefits and enhancing value."

"This agreement with Bone Therapeutics highlights the value of Medsenic's highly complementary businesses, provides our shareholders with attractive and certain value, and brings together leading expertise and drug delivery platforms to accelerate growth and create new opportunities," said François Rieger, President and CEO of Medsenic. "As we remain committed to continuing to serve our stakeholders, I would like to thank the employees of both organizations for their hard work and dedication to this mission. I am very proud as the new President and CEO to work with the Bone Therapeutics

team to successfully complete the transaction and deliver best-in-class drug therapies and therapeutic solutions under the new name: 'BioSenic.'

Terms of the combination

Further to the signed contribution agreement, the majority of Medsenic' shareholders have committed to contribute fifty-one percent (51%) of the total outstanding share capital of Medsenic, valued at EUR 40,800,207, at a subscription price per share of EUR 0.45, which values Bone Therapeutics at EUR 10 million. In exchange for the in-kind contribution of 51% of Medsenic' shares, around 90,668,594 shares would be issued by Bone Therapeutics to Medsenic shareholders (the "**Business Combination**"). The parties have relied on the valuation carried out by an independent expert in order to determine the exchange ratio of one for four.

On closing of the Business Combination, Bone Therapeutics would also issue and automatically allot one subscription right to each outstanding share of Bone Therapeutics, allowing the existing shareholders to subscribe for one new share of Bone Therapeutics in case of statistically positive interim results of the ALLOB Phase IIb trial, at a subscription price per share of EUR 0.45.

The transaction is subject to the approval of the contribution by Bone Therapeutics' shareholders at an extraordinary shareholders' meeting ('ESM') to be convened by the Board of Bone Therapeutics in the course of September 2022. The transaction is also subject to certain other customary conditions including the confirmation that the proposed Business Combination would not lead to the necessity, for any subscriber involved to launch a mandatory takeover bid on Bone Therapeutics.

The Medsenic shareholders have agreed that the Bone Therapeutics shares to be issued to them in the contribution will be subject to an initial lock-up of nine months as from the date of the ESM, provided that on the last day of the four first calendar month following the month in which the ESM occurs, 2% of the new shares held by each of Véronique Pomi-Schneider and François Rieger shall be released from the lock-up.

If the customary conditions precedent are met and the shareholders of Bone Therapeutics vote in favor of the Business Combination, Bone Therapeutics would maintain its status as a Belgian listed company, and significantly broaden its diverse therapeutic portfolio.

In the contribution agreement, the existing shareholders of Medsenic have agreed to contribute in kind the totality of the remaining Medsenic shares held by within the next 36 months from the completion of the Business Combination, meaning that, in the medium to long run, all existing pipeline from both organizations would be directly or indirectly held by Bone Therapeutics.

Name and Board Changes

At the ESM, Bone Therapeutics shareholders will also be asked to approve the name change of the Company into 'BioSenic' and the appointment, with effect as of the completion of the contribution, of a new board of directors consisting of a total of up to seven directors including the current chairman Jean Stéphane and Jean-Luc Vandebroek at least until the ALLOB Phase IIb trial results. All other existing director would end their mandate and Mr. François Rieger, chairman and daily manager of Medsenic, would be appointed as CEO and Chairman of the Company. Other proposed board members will be Ms Véronique Pomi-Schneider, executive director currently in charge of the operations of Medsenic, Mr Jean-François Rax, representing Cap'Innovest, Ms Revital Rattenbach, independent director and Mr Terry Sadler, independent director.

Following the completion of the Business Combination, it is anticipated that the executive leadership team consists of François Rieger (CEO), Véronique Pomi-Schneider (COO), and Anne Leselbaum (Chief Medical Officer).

The combined group is expected to have a proforma cash position of at least EUR 5 million at closing. The Company plans to raise funds in the form of a private placement of new shares at the end of 2022 in order to finance the combined activities of Medsenic and the Company. In the meantime, the Company will make use of the existing EUR 5 million convertible facility obtained via ABO to finance its activities and to finance the convertible loan granted to Medsenic for of up to EUR 2 million to secure the projects of Medsenic during this period.

About Medsenic SAS

Medsenic innovates and exploits the new possibilities offered by the therapeutic use of arsenic trioxide in several autoimmune diseases and is currently in clinical trials in Europe. The company was founded in 2010 by François Rieger, former Director of Research at the CNRS (French National Centre for Scientific Research) and author of more than 170 international scientific publications, and Véronique Pomi-Schneider, former founder and manager of a consulting company specializing in human resources, communication and development strategy. Under the aegis of a high-level scientific board, chaired by the 2011 Nobel Prize in Medicine Jules Hoffman, a specialist in innate immunology, and supported by numerous private investors, Medsenic accelerated its development in 2016 with the arrival of professional investors. Further information is available at www.medsenic.com.

About Bone Therapeutics

Bone Therapeutics is a leading biotech company focused on the development of innovative products to address high unmet needs in orthopedics and other diseases. Currently Bone Therapeutics is concentrating specifically on the development of its most advanced clinical asset, the allogeneic cell therapy platform, ALLOB.

Bone Therapeutics' core technology is based on its cutting-edge allogeneic cell and gene therapy platform with differentiated bone marrow sourced Mesenchymal Stromal Cells (MSCs) which can be stored at the point of use in the hospital. Its leading investigational medicinal product, ALLOB, represents a unique, proprietary approach to bone regeneration, which turns undifferentiated stromal cells from healthy donors into bone-forming cells. These cells are produced via the Bone Therapeutics' scalable manufacturing process. Following the CTA approval by regulatory authorities in Europe, the Company has initiated patient recruitment for the Phase IIb clinical trial with ALLOB in patients with difficult tibial fractures, using its optimized production process. ALLOB continues to be evaluated for other orthopedic indications including spinal fusion, osteotomy, maxillofacial and dental.

Bone Therapeutics' cell therapy products are manufactured to the highest GMP (Good Manufacturing Practices) standards and are protected by a broad IP (Intellectual Property) portfolio covering ten patent families as well as knowhow. The Company is based in the Louvain-la-Neuve Science Park in Mont-Saint-Guibert, Belgium. Further information is available at www.bonetherapeutics.com.

For further information, please contact:

Bone Therapeutics SA

Miguel Forte, MD, PhD, Chief Executive Officer
Tel: +32 (0)493 09 73 66
investorrelations@bonetherapeutics.com

For Belgian Media and Investor Enquiries:

Bepublic

Bert Bouserie
Tel: +32 (0)488 40 44 77
bert.bouserie@bepublicgroup.be

International Media Enquiries:

Image Box Communications

Neil Hunter / Michelle Boxall
Tel: +44 (0)20 8943 4685
neil.hunter@ibcomms.agency / michelle@ibcomms.agency

For French Media and Investor Enquiries:

NewCap Investor Relations & Financial Communications

Pierre Laurent, Louis-Victor Delouvrier and Arthur Rouillé
Tel: +33 (0)1 44 71 94 94
bone@newcap.eu

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